

HOUSE BILL 466

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B2

2001 Regular Session
11r1540
CF 11r2940

By: **Delegates W. Baker, Guns, and Walkup**
Introduced and read first time: February 2, 2001
Assigned to: Appropriations

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 24, 2001

CHAPTER _____

1 AN ACT concerning

2 **Creation of a State Debt - Queen Anne's County - Cray House**

3 FOR the purpose of authorizing the creation of a State Debt ~~not to exceed \$150,000 in~~
4 the amount of \$100,000, the proceeds to be used as a grant to the Board of
5 Directors of The Kent Island Heritage Society, Inc. for certain development or
6 improvement purposes; providing for disbursement of the loan proceeds, subject
7 to a requirement that the grantee provide and expend a matching fund;
8 ~~requiring the grantee to grant and convey a certain easement to the Maryland~~
9 ~~Historical Trust~~; and providing generally for the issuance and sale of bonds
10 evidencing the loan.

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
12 MARYLAND, That:

13 (1) The Board of Public Works may borrow money and incur indebtedness on
14 behalf of the State of Maryland through a State loan to be known as the Queen Anne's
15 County - Cray House Loan of 2001 in ~~a total principal amount equal to the lesser of~~
16 ~~(i) \$150,000 or (ii) the amount of the matching fund provided in accordance with~~
17 ~~Section 1(5) below~~ the total principal amount of \$100,000. This loan shall be
18 evidenced by the issuance, sale, and delivery of State general obligation bonds
19 authorized by a resolution of the Board of Public Works and issued, sold, and
20 delivered in accordance with §§ 8-117 through 8-124 of the State Finance and
21 Procurement Article and Article 31, § 22 of the Code.

22 (2) The bonds to evidence this loan or installments of this loan may be sold as
23 a single issue or may be consolidated and sold as part of a single issue of bonds under
24 § 8-122 of the State Finance and Procurement Article.

1 (3) The cash proceeds of the sale of the bonds shall be paid to the Treasurer
2 and first shall be applied to the payment of the expenses of issuing, selling, and
3 delivering the bonds, unless funds for this purpose are otherwise provided, and then
4 shall be credited on the books of the Comptroller and expended, on approval by the
5 Board of Public Works, for the following public purposes, including any applicable
6 architects' and engineers' fees: as a grant to the Board of Directors of The Kent Island
7 Heritage Society, Inc. (referred to hereafter in this Act as "the grantee") for the
8 renovation and reconstruction of the historic Cray House on Cockey's Lane in
9 Stevensville so that it can be preserved and used for museum and educational
10 purposes.

11 (4) An annual State tax is imposed on all assessable property in the State in
12 rate and amount sufficient to pay the principal of and interest on the bonds, as and
13 when due and until paid in full. The principal shall be discharged within 15 years
14 after the date of issuance of the bonds.

15 (5) Prior to the payment of any funds under the provisions of this Act for the
16 purposes set forth in Section 1(3) above, the grantee shall provide and expend a
17 matching fund of \$25,000. No part of the grantee's matching fund may be provided,
18 either directly or indirectly, from funds of the State, whether appropriated or
19 unappropriated. The fund may consist of real property, in kind contributions, or funds
20 expended prior to the effective date of this Act. In case of any dispute as to the amount
21 of the matching fund or what money or assets may qualify as matching funds, the
22 Board of Public Works shall determine the matter and the Board's decision is final.
23 The grantee has until June 1, 2003, to present evidence satisfactory to the Board of
24 Public Works that a matching fund will be provided. If satisfactory evidence is
25 presented, the Board shall certify this fact ~~and the amount of the matching fund to~~
26 ~~the State Treasurer, and the proceeds of the loan equal to the amount of the matching~~
27 ~~fund shall be expended for the purposes provided in this Act. Any amount of the loan~~
28 ~~in excess of the amount of the matching fund certified by the Board of Public Works~~
29 ~~shall be canceled and be of no further effect.~~

30 ~~(6) (a) Prior to the issuance of the bonds, the grantee shall grant and convey~~
31 ~~to the Maryland Historical Trust a perpetual preservation easement to the extent of~~
32 ~~its interest:~~

33 (i) ~~On the land or such portion of the land acceptable to the Trust;~~
34 ~~and~~

35 (ii) ~~On the exterior and interior, where appropriate, of the historic~~
36 ~~structures.~~

37 (b) ~~If the grantee or beneficiary of the grant holds a lease on the land~~
38 ~~and structures, the Trust may accept an easement on the leasehold interest.~~

39 (c) ~~The easement must be in form and substance acceptable to the Trust~~
40 ~~and any liens or encumbrances against the land or the structures must be acceptable~~
41 ~~to the Trust.~~

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 June 1, 2001.